



October 13, 2011

In breaking news, following a speaking engagement at the National Press Club this afternoon, US DOT Secretary Ray LaHood told reporters he will not serve a second term as US DOT Secretary if President Obama is reelected. Secretary LaHood told the *Chicago Tribune* that he expects "wonderful opportunities" in the private sector after he leaves his post at US DOT.

There have been no major new developments on the infrastructure investment front, however, Congress continues to debate the President's American Jobs Act (or at least parts of it) which includes \$60B for transportation, the deficit reduction SuperCommittee continues to develop a plan to reduce the federal deficit by \$1.2 trillion which could include a deal to fund a multi-year transportation bill, the House T&I Committee continues to work to identify \$100B in non-gas tax revenue needed to write a six-year surface transportation bill at current funding levels, the Senate EPW Committee continues to urge the Finance Committee to lock in the \$12B needed to fund its two-year authorization bill, the multi-year FAA authorization bill continues to languish and efforts to compile the 12 federal agency FY'12 appropriations bills into a massive omnibus bill continue in advance of the November 18 expiration of the current temporary funding bill.

Surface Transportation Authorization

Senate EPW Chairman Barbara Boxer (D-CA) announced that the Senate Finance Committee has identified enough "offsets" to pay for the \$12B in additional revenue needed to fund the Committee's two-year surface transportation authorization bill at current levels plus some inflation factor. Details about the offsets have not yet been publicly revealed. Boxer wants the Finance Committee to act first in order to lock up the funding before the deficit reduction SuperCommittee can lay claim to it. However, the Finance Committee has raised some concerns about the Budget Act provision that requires 90% of the revenues in the Highway Trust Fund to be from direct user fees in order to preserve the use of contract authority to guarantee funding for multi-year projects. Finance Committee Chairman Max Baucus (D-MT) also wants to get additional Republican votes lined up so that the revenue title does not pass solely on a party-line vote.

Chairman Boxer and EPW Committee Ranking Member Jim Inhofe (R-OK) have sent a [letter](#) to the SuperCommittee urging them to address the long-term solvency of the Highway Trust Fund and the need for a robust, multi-year surface transportation bill as part of their deliberations.

There are no new developments in House T&I Committee Chairman John Mica's (R-FL) efforts to work with House leadership to identify the \$100B he needs to write a six-year bill at current funding levels. Chairman Boxer has been highly critical of reports that House



Speaker Boehner proposes to pay for a larger transportation bill through fees from expanded domestic oil and gas drilling. Senator Inhofe has indicated a willingness to consider a bill in conference longer than two years if Chairman Mica is successful in finding the necessary funds to write a robust six-year bill.

FY'12 Appropriations

With the November 18 expiration of the current short-term funding bill looming, the House and Senate have begun to roll all 12 pending federal agency FY'12 funding bills into three multi-agency, so-called "mini-bus" bills. The House FY'12 DOT appropriations bill has never progressed beyond markup by the THUD Subcommittee, while the Senate may take up their bill on the floor this week as part of a "mini-bus." This may give the Senate greater leverage over the House in conference. The Senate version of the DOT bill includes current level funding for highway and transit programs while the House bill calls for steep cuts.

Here are links to the House and Senate versions of the FY'12 DOT Appropriations bills and Committee Reports:

[Draft House Bill \(as passed by the THUD Subcommittee\)](#)

[Draft House Subcommittee Report](#)

[Senate Bill S. 1596 \(as passed by the Full Committee\)](#)

[Senate Full Committee Report S. 112-83](#)

FTA Regulatory Activity

FTA has issued a number of important changes to existing rules and circulars:

- [NPRM on Project Capital Management](#) – September 13, 2011 Federal Register
- [Dear Colleague on Risk Assessment Process](#)
- [Environmental Justice Circular](#) – September 29, 2011 Federal Register
- [Title VI Circular](#) – September 29, 2011 Federal Register

There will be listening sessions for both the Environmental Justice and Title VI Circulars:

- Kansas City, MO - October 18, 2011 - 6-9 pm
- Boston, MA - November 1, 2011 - 6-9 pm



- Detroit, MI - November 9, 2011 - 6-9 pm
- San Francisco, CA - November 14, 2011 - 6-9 pm
- Atlanta, Georgia - November 17, 2011 - 6-9 pm

Other News

- The President's Council on Jobs and Competitiveness has released an [interim report](#). The report recommends passage of a long-term surface transportation authorization bill, incentives for more public-private partnerships, establishment of a national infrastructure bank, reduction of restrictions on user-generated funding for highway use (i.e. tolls) and acceleration of infrastructure project reviews and permits. A more detailed report is scheduled to be released by the end of the year.
- House T&I Committee Chairman Mica, an opponent of creating a National Infrastructure Bank, held a hearing this week on the subject. Mica raised concerns about creating more red tape and federal bureaucracy. He indicated that instead the government should provide incentives for state infrastructure banks and expand the existing TIFIA and RRIF loan programs. He said that a National Infrastructure Bank plan is DOA in the House. Here is a [link](#) to Mica's press release and witness testimony.
- As a follow-up to the President's August 31 Rose Garden speech on infrastructure and the subsequent Presidential Memorandum regarding expediting permitting and review of critical infrastructure projects, the Administration has announced the selection of 14 projects around the country for expedited review. Six of the 14 projects are transportation projects: two bridge, one aviation, two transit, and one highway.

Tappen Zee Bridge, NY – replace deficient bridge across the Hudson River (without the transit related components previously being considered)

Crenshaw/LAX, CA – extension of LA Metro Green Line light rail

Whittier Bridge, MA – I-95 bridge replacement over Merrimack River

Provo Westside Connector, UT – new arterial highway between Provo Airport and I-15

Baltimore Red Line, MD – new light rail line connecting western suburbs to downtown Baltimore

Next Generation Air Transportation System Infrastructure Project, TX – NextGen projects for two airports in Houston.

The other selected projects include public housing, water, mixed-use real estate development, wind power, and coastal restoration projects. Here is a [link](#) to the full list of projects and project descriptions. House T&I Committee Chairman Mica issued



a [press release](#) urging support for streamlining all infrastructure projects, not just a few, as [Mica](#) proposes to do in the House reauthorization proposal.

- A new GAO report says that because of the influx of billions of dollars of General Funds into the Highway Trust Fund over the past several years, no state is any longer a “donor” state. Over the life of SAFETEA-LU, every state received more money for highway programs than it contributed in tax revenue. GAO further states that this shift, to a large extent, breaks the critical link between highway taxes paid and benefits received by users. Here is a [link](#) to a summary of the report and the full report.

- The Federal Railroad Administration has made available a list of the High-Speed Intercity Passenger Rail project funding that has been obligated to date. Here is a [link](#) to the project list. Since 2009, about \$10B has been made available for high-speed rail - \$8B in ARRA funds and \$2B in regular annual appropriations. The bulk of that funding has now been obligated. FRA worked to expedite approval of the projects in light of congressional threats to rescind any unobligated funds.

Additional information and materials can be found on the PB Transportation Update website at www.PBTransportationUpdate.com
